

### **IC 5-1-13**

#### **Chapter 13. Disposition of Surplus Bond Proceeds**

### **IC 5-1-13-1**

#### **"Bonds"; "political subdivision"**

Sec. 1. As used in this chapter:

"Bonds" has the same definition that the term is given in IC 5-1-11-1.

"Political subdivision" has the same definition that the term is given in IC 36-1-2-13.

*As added by Acts 1980, P.L.8, SEC.23. Amended by P.L.24-1984, SEC.1.*

### **IC 5-1-13-2**

#### **Transfer of surplus proceeds to fund pledged to payment of principal and interest on bonds or use for purpose or project for which bonds could have been issued**

Sec. 2. (a) Notwithstanding any other law, whenever:

(1) bonds are issued by any political subdivision in the state of Indiana for any lawful purpose or project;

(2) the purpose or project for which the bonds were issued has been accomplished or abandoned; and

(3) a surplus remains from the proceeds of the bonds or investment earnings derived from the proceeds of those bonds; the political subdivision may use the surplus only in the manner prescribed by subsection (b) or (c).

(b) The legislative body of any such political subdivision may by an order, ordinance, or resolution entered of record direct the disbursing officer of such political subdivision to transfer the surplus bond proceeds or investment earnings to the fund of the political subdivision pledged to the payment of principal and interest on those bonds, and upon such order, ordinance, or resolution being made, the disbursing officer shall make such transfer. Thereafter such funds transferred shall be used for the payment of the bonds to which the surplus bond proceeds or investment earnings are attributable or interest due for such bonds.

(c) Surplus bond proceeds or investment earnings may be used by a political subdivision for the same purpose or type of project for which the bonds were originally issued, if:

(1) the fiscal officer of the political subdivision certifies before or at the time of that use that the surplus was not anticipated at the time of issuance of the bonds; and

(2) the board or legislative body responsible for issuing the bonds takes action approving the use of surplus bond proceeds or investment earnings for the same purpose or type of project for which the bonds were originally issued.

*As added by Acts 1980, P.L.8, SEC.23. Amended by P.L.24-1984, SEC.2; P.L.37-1988, SEC.1; P.L.2-1989, SEC.3.*

### **IC 5-1-13-3**

**Income from investment of proceeds of sale of bonds; application**

Sec. 3. Notwithstanding any other law, income from the investment of proceeds of the sale of bonds issued by any political subdivision that are payable from property taxes shall be applied to the improvement or the public purpose for which the bonds were issued or shall be used to pay interest on the bonds and in no event may such income be used for any other purpose except as provided in section 2 of this chapter.

*As added by P.L.24-1984, SEC.3.*